

HOUSE BILL 1352

F1, Q2

11r3066

By: **Delegates Hixson, Branch, Ivey, Kaiser, Luedtke, and Walker**

Rules suspended

Introduced and read first time: March 18, 2011

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Local School Boards – Authority to Impose a Property Tax**

3 FOR the purpose of authorizing county boards of education to impose, by resolution, a
4 property tax to provide funding for public school operation and expenses;
5 providing that the property tax is in addition to the county property tax;
6 providing for the collection and administration of the property tax; requiring the
7 property tax rate to be set by certain county boards at a certain level for certain
8 fiscal years; requiring certain counties to reduce their property tax rates by a
9 certain amount for certain fiscal years; authorizing certain counties to
10 appropriate funds for the county boards of education; authorizing certain county
11 boards to provide for the issuance of bonds and other evidence of indebtedness;
12 requiring that the proceeds from the issuance of bonds and other evidence of
13 indebtedness be used for certain purposes; providing for the tax-exempt nature
14 of the bonds and other evidence of indebtedness; requiring certain county
15 boards to appropriate in an annual budget a certain minimum amount;
16 requiring certain county boards to spend revenues in a certain manner; making
17 technical changes; providing for the application of this Act; and generally
18 relating to authorization for county boards of education to impose a property
19 tax.

20 BY adding to

21 Article – Education

22 Section 3–106, 3–107, 3–107.1, 5–103.1, 5–104.1, and 5–105.1

23 Annotated Code of Maryland

24 (2008 Replacement Volume and 2010 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Education

27 Section 5–102, 5–103, 5–104, 5–105, 5–107, 5–109, 5–110, 5–113, 5–201(e), and

28 5–202(d)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2008 Replacement Volume and 2010 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
4 MARYLAND, That the Laws of Maryland read as follows:

5 **Article – Education**

6 **3–106.**

7 (A) A COUNTY BOARD, BY RESOLUTION, MAY IMPOSE A PROPERTY TAX
8 ON THE ASSESSABLE PROPERTY OF THE COUNTY TO PROVIDE FUNDING FOR
9 PUBLIC SCHOOL OPERATIONS AND EXPENSES IN THE COUNTY AS PROVIDED IN §
10 5–104.1 OF THIS ARTICLE.

11 (B) THE PROPERTY TAX AUTHORIZED UNDER SUBSECTION (A) OF THIS
12 SECTION IS IN ADDITION TO THE COUNTY’S PROPERTY TAX.

13 (C) THE PROPERTY TAX:

14 (1) SHALL BE COLLECTED IN THE SAME MANNER THAT THE
15 STATE AND COUNTY PROPERTY TAXES ARE COLLECTED IN THE COUNTY; AND

16 (2) IS SUBJECT TO THE SAME EXEMPTIONS, CREDITS, PAYMENT
17 REQUIREMENTS, AND ENFORCEMENT PROVISIONS THAT APPLY TO THE COUNTY
18 PROPERTY TAX UNDER THE TAX – PROPERTY ARTICLE, INCLUDING:

19 (I) IMPOSITION OF INTEREST AND PENALTIES DUE ON
20 OVERDUE TAXES;

21 (II) IMPOSITION OF A LIEN ON REAL PROPERTY FOR UNPAID
22 TAXES; AND

23 (III) PROVISIONS RELATING TO TAX SALES.

24 (D) THE COUNTY SHALL REMIT THE TAXES COLLECTED DURING ANY
25 MONTH, AND INTEREST OR PENALTIES ON THE TAXES COLLECTED, TO THE
26 OFFICIAL DESIGNATED BY THE COUNTY BOARD TO RECEIVE THE TAXES.

27 (E) (1) FOR ANY FISCAL YEAR THAT A COUNTY BOARD IMPOSES THE
28 TAX AUTHORIZED UNDER THIS SECTION, THE PROPERTY TAX RATE SET BY THE
29 COUNTY BOARD SHALL BE THE RATE THAT IS ESTIMATED TO PROVIDE
30 REVENUES EQUAL TO A LEVEL OF EXPENDITURES THAT IS THE GREATER OF:

1 **(I) THE LEVEL REQUIRED UNDER § 5-202 OF THIS**
2 **ARTICLE; OR**

3 **(II) THE LEVEL OF EXPENDITURES IN THE BUDGET OF THE**
4 **COUNTY BOARD FOR THE PRIOR FISCAL YEAR.**

5 **(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, IF**
6 **THE COUNTY BOARD HOLDS A PUBLIC HEARING, THE COUNTY BOARD MAY RAISE**
7 **THE PROPERTY TAX ABOVE THE RATE SPECIFIED IN PARAGRAPH (1) OF THIS**
8 **SUBSECTION.**

9 **(F) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR**
10 **ANY FISCAL YEAR THAT A COUNTY BOARD IMPOSES THE TAX AUTHORIZED**
11 **UNDER THIS SECTION, THE COUNTY SHALL REDUCE ITS PROPERTY TAX RATE TO**
12 **DECREASE THE AMOUNT OF REVENUE FROM THE PROPERTY TAX BY THE**
13 **AMOUNT BUDGETED FOR THE COUNTY BOARD FOR THE PRIOR FISCAL YEAR.**

14 **(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, A**
15 **COUNTY MAY APPROPRIATE MONEY FOR THE COUNTY BOARD IN ADDITION TO**
16 **THE AMOUNT IN THE BUDGET FOR THE COUNTY BOARD.**

17 **3-107.**

18 **(A) IF A COUNTY BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3-106**
19 **OF THIS SUBTITLE, THE COUNTY BOARD MAY PROVIDE FOR THE ISSUANCE OF**
20 **BONDS OR OTHER EVIDENCE OF INDEBTEDNESS PAYABLE FROM THE TAXES OR**
21 **OTHER SOURCES AUTHORIZED UNDER § 3-106 OF THIS SUBTITLE.**

22 **(B) THE PROCEEDS FROM THE ISSUANCE OF THE BONDS OR OTHER**
23 **EVIDENCE OF INDEBTEDNESS MAY ONLY BE USED FOR PUBLIC SCHOOL**
24 **CONSTRUCTION AND CAPITAL IMPROVEMENT PROJECTS.**

25 **(C) THE BONDS, NOTES, AND ANY OTHER EVIDENCE OF INDEBTEDNESS**
26 **ISSUED UNDER THIS SECTION, THEIR TRANSFER, THE INTEREST PAYABLE ON**
27 **THEM, AND ANY INCOME DERIVED FROM THEM, INCLUDING ANY PROFIT**
28 **REALIZED IN THEIR SALE OR EXCHANGE, SHALL BE EXEMPT AT ALL TIMES FROM**
29 **EVERY KIND AND NATURE OF TAXATION BY THE STATE, ITS POLITICAL**
30 **SUBDIVISIONS, OR PUBLIC AGENCIES.**

31 **3-107.1.**

32 **FOR EACH FISCAL YEAR, BEGINNING ON JULY 1 AND ENDING ON JUNE 30**
33 **OF THE SUBSEQUENT YEAR, A COUNTY BOARD THAT IMPOSES THE TAX**

1 AUTHORIZED UNDER § 3-106 OF THIS SUBTITLE SHALL ADOPT A BUDGET THAT
2 CONTAINS THE ESTIMATES OF REVENUE ANTICIPATED AND THE PROPOSED
3 EXPENDITURES FOR DEBT SERVICE ON BONDS ISSUED BY THE COUNTY BOARD
4 AND FOR OTHER PAYMENTS AUTHORIZED BY THIS SUBTITLE OR OTHER LAW
5 AND AS OTHERWISE REQUIRED UNDER TITLE 5 OF THIS ARTICLE.

6 5-102.

7 (a) In this subtitle, "county council" means, in Baltimore City, the Mayor and
8 City Council of Baltimore.

9 (b) **THIS SECTION DOES NOT APPLY TO A COUNTY IF THE COUNTY**
10 **BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3-106 OF THIS ARTICLE.**

11 (c) (1) Each county board shall submit an annual school budget in writing
12 to the county commissioners, county council, or the county executive.

13 (2) The budget shall be submitted not less than 45 days before the
14 date for levying local taxes or on an earlier date on or after March 1 as may be
15 requested by the county fiscal authority.

16 [(c)] (D) (1) This subsection applies only to a county that has a county
17 governing body that consists of a county executive and county council.

18 (2) The county executive shall indicate in writing which major
19 categories of the annual budget of the county board have been denied in whole or
20 reduced in part and the reason for the denial or reduction.

21 (3) The county council may restore any denial or reduction made by
22 the county executive in the annual budget submitted by the county board.

23 (4) In Baltimore County, the County Council may not restore any
24 denial or reduction made by the County Executive.

25 (5) This [item] PARAGRAPH applies to Baltimore County and
26 supersedes [item] PARAGRAPH (4) of this subsection only if the voters of Baltimore
27 County approve an amendment to the Baltimore County Charter that grants the
28 County Council the authority to restore any denial or reduction made by the County
29 Executive in the budget submitted by the county board. The Baltimore County Council
30 may restore any denial or reduction made by the County Executive if it publicly states
31 the amount the restoration represents in the county tax rate.

32 [(d)] (E) (1) In Baltimore City, the City Council may not restore any
33 denial or reduction made by the Mayor.

1 (2) (i) This paragraph applies to Baltimore City and supersedes
2 paragraph (1) of this subsection only if the voters of Baltimore City approve an
3 amendment to the Baltimore City Charter that grants the City Council the authority
4 to restore any denial or reduction made by the Mayor in the budget submitted by the
5 county board.

6 (ii) The Baltimore City Council may restore any denial or
7 reduction made by the Mayor if it publicly states the amount the restoration
8 represents in the city tax rate.

9 **[(e)] (F)** (1) Copies of the budget shall be made available to the public,
10 on request, at the time it is submitted by the county board.

11 (2) A copy of the budget as approved by the county commissioners or
12 county council shall be sent to the State Superintendent within 30 days after approval.

13 5-103.

14 **(a) THIS SECTION DOES NOT APPLY TO A COUNTY IF THE COUNTY**
15 **BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3-106 OF THIS ARTICLE.**

16 **(B)** The amount requested in the annual budget of each county board for
17 current expenses for the next school year and that is to be raised by revenue from local
18 sources may not be less than the minimum amount required to be levied under §
19 5-202 of this title.

20 **[(b)] (C)** The county commissioners or county council may provide funds
21 that are more than the amount required by § 5-202 of this title to support improved
22 and additional programs.

23 **[(c)] (D)** If a county council or board of county commissioners does not
24 approve the amount requested in the budget that is more than the amount required by
25 § 5-202 of this title:

26 (1) The county council or board of county commissioners shall indicate
27 in writing, within 15 days after the adoption of the budget, which major categories of
28 the annual budget have been reduced and the reason for the reduction; and

29 (2) The county board shall submit to the county governing body,
30 within 30 days after the adoption of the budget, a report indicating how the alterations
31 to the budget will be implemented, accompanied by reasonable supporting detail and
32 analysis.

33 **5-103.1.**

1 **IF A COUNTY BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3-106 OF**
2 **THIS ARTICLE, THE AMOUNT APPROPRIATED IN THE ANNUAL BUDGET OF EACH**
3 **COUNTY BOARD FOR CURRENT EXPENSES FOR THE NEXT SCHOOL YEAR AND**
4 **THAT IS TO BE RAISED BY REVENUE FROM PROPERTY TAX IMPOSED BY THE**
5 **COUNTY BOARD MAY NOT BE LESS THAN THE MINIMUM AMOUNT REQUIRED TO**
6 **BE LEVIED UNDER § 5-202 OF THIS TITLE.**

7 5-104.

8 **(a) THIS SECTION DOES NOT APPLY TO A COUNTY IF THE COUNTY**
9 **BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3-106 OF THIS ARTICLE.**

10 **(B)** Each county council or board of county commissioners shall levy and
11 collect a tax on the assessable property of the county which, together with other local
12 revenue available, including income tax revenues and bond money, and together with
13 estimated revenues and funds from all sources, will produce the amounts necessary to
14 meet the appropriations made in the approved annual budget of the county board.

15 **[(b)] (C)** (1) Local funds provided for appropriations shall be paid in
16 accordance with the expenditure requirements, as certified by the county board, to the
17 treasurer of the county board on a monthly basis.

18 (2) Appropriations for school construction, permanent improvements,
19 and repairs for special purposes may be required to be paid more frequently on the
20 order of the president and secretary of the county board to the county commissioners,
21 county council, or the county executive.

22 **[(c)] (D)** (1) Notwithstanding any other provision in this article, this
23 subsection applies to Wicomico County.

24 (2) The Wicomico County Council annually shall pay to the Wicomico
25 County Board the amount of the budget of the county board that has been approved by
26 the County Council:

27 (i) In 12 equal monthly installments; or

28 (ii) At the times on which the County Council and county board
29 mutually agree.

30 (3) Taxes levied under this section shall be retained by the county and
31 any annual deficiencies in the tax are the responsibility of Wicomico County.

32 **5-104.1.**

33 **IF A COUNTY BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3-106 OF**
34 **THIS ARTICLE, THE COUNTY BOARD MAY LEVY AND COLLECT A TAX ON THE**

1 ASSESSABLE PROPERTY OF THE COUNTY THAT, TOGETHER WITH BOND MONEY,
2 AND TOGETHER WITH ESTIMATED REVENUES AND FUNDS FROM ALL SOURCES,
3 WILL PRODUCE THE AMOUNTS NECESSARY TO MEET THE APPROPRIATIONS
4 MADE IN THE ANNUAL BUDGET OF THE COUNTY BOARD.

5 5–105.

6 (a) THIS SECTION DOES NOT APPLY TO A COUNTY IF THE COUNTY
7 BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3–106 OF THIS ARTICLE.

8 (B) All revenues received by a county board shall be spent by the board in
9 accordance with the major categories of its annual budget as provided under § 5–101
10 of this subtitle.

11 [(b)] (C) (1) (i) A transfer may be made within the major categories
12 without recourse to the county commissioners or county council except that a report of
13 the transfer shall be submitted to the county commissioners or county council within
14 15 days after the end of each month.

15 (ii) A report under subparagraph (i) of this paragraph shall
16 include a narrative summary that clearly indicates each transfer.

17 (2) A transfer between major categories shall be made only with the
18 approval of the county commissioners or county council.

19 (3) If the county commissioners or county council fail to take action on
20 a request for transfer between major categories within 30 days after the receipt of a
21 written request substantiating the transfer, the failure to take action constitutes
22 approval.

23 (4) A county board shall submit to the county governing body a report
24 within 15 days after the end of each month if during that month the county board
25 takes any action that would commit the county board to spend more for the current
26 fiscal year in any major category than the amount approved in the annual budget for
27 that category.

28 (5) A report under paragraph (4) of this subsection shall include a
29 narrative explanation of the action taken, indicating any request for transfer between
30 categories that may become necessary for the fiscal year as a result of the action.

31 [(c)] (D) Nonlocal funds received by a county board after the adoption of the
32 annual budget by the county fiscal authority may be spent by the county board if the
33 county fiscal authority is notified and approves of:

34 (1) The source and amount of the funds; and

1 (2) The manner of spending the funds.

2 **5-105.1.**

3 **ANY REVENUES RECEIVED BY A COUNTY BOARD THAT IMPOSES THE TAX**
4 **AUTHORIZED UNDER § 3-106 OF THIS ARTICLE SHALL BE SPENT BY THE BOARD**
5 **IN ACCORDANCE WITH THE MAJOR CATEGORIES OF ITS ANNUAL BUDGET AS**
6 **PROVIDED UNDER § 5-101 OF THIS SUBTITLE.**

7 5-107.

8 (a) **THIS SECTION DOES NOT APPLY TO A COUNTY IF THE COUNTY**
9 **BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3-106 OF THIS ARTICLE.**

10 (B) If the county commissioners or county council does not appropriate the
11 amount requested by the county board for capital projects, it shall indicate in writing
12 which projects have been reduced, deferred, or eliminated and the reason for the
13 reduction, deferral, or elimination.

14 [(b)] (C) (1) The expenditure for school building construction shall be
15 made in accordance with the cost approved by the county commissioners or county
16 council for each project.

17 (2) A transfer between major categories or of unexpended project
18 balances is subject to the approval of the county commissioners or county council.

19 (3) If the county commissioners or county council does not take action
20 on a transfer within 30 days after the receipt of a written request substantiating the
21 transfer, the failure to take action constitutes approval.

22 5-109.

23 (a) Each county board shall provide for an annual audit of its financial
24 transactions and accounts.

25 (b) (1) The audit shall be made by a certified public accountant or a
26 partnership of certified public accountants who are:

27 (i) Licensed by the State Board of Public Accountancy; and

28 (ii) Approved by the State Superintendent.

29 (2) The audit shall be made in accordance with the standards and
30 regulations adopted by the State Board.

1 (c) (1) The results of the audit, including the letter of recommendation
2 submitted by the auditor, are a matter of public record.

3 (2) The results shall be reported within 3 months after the close of the
4 fiscal year for the county board on the form and in the manner required by the State
5 Board to:

6 (i) The State Superintendent;

7 (ii) The county fiscal authority;

8 (iii) The Joint Audit Committee of the General Assembly;

9 (iv) The Senate Budget and Taxation Committee;

10 (v) The Senate Education, Health, and Environmental Affairs
11 Committee;

12 (vi) The House Appropriations Committee; and

13 (vii) The House Committee on Ways and Means.

14 (d) (1) **THIS SUBSECTION DOES NOT APPLY TO A COUNTY IF THE**
15 **COUNTY BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3-106 OF THIS**
16 **ARTICLE.**

17 (2) In addition to the audit required by this section, the county
18 commissioners or county council may conduct an audit using auditors employed by the
19 county.

20 5-110.

21 (a) In this section, “performance audit” means an assessment of an entity’s
22 or program’s practices to determine whether the entity or program is operating
23 economically and efficiently and whether corrective actions for improving its
24 performance are appropriate.

25 (b) **THIS SECTION DOES NOT APPLY IN A COUNTY IF THE COUNTY**
26 **BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3-106 OF THIS ARTICLE.**

27 (c) In the absence of an agreement between a county governing body and a
28 county school board, the Department at the request of the county governing body shall
29 contract for a performance audit of the county public school system to address the
30 issues raised in the county’s request.

1 **[(c)] (D)** The Department shall make reasonable efforts to ensure that a
2 performance audit under this section is completed and the results of the audit are
3 made available to the county board in time to be considered by the county board in the
4 preparation of its budget for the next fiscal year.

5 **[(d)] (E)** The cost of a performance audit under this section shall be shared
6 equally between the county governing body and the county board.

7 **[(e)] (F)** A performance audit for which the Department contracted under
8 subsection (b) of this section:

9 (1) Shall be conducted in accordance with generally accepted
10 government auditing standards; and

11 (2) May not include an assessment or evaluation of a county board's
12 efforts to meet the standards of the Maryland School Performance Program.

13 **[(f)] (G)** Nothing in this section prevents a county governing body and a
14 county school board from making an agreement to perform or contract for a
15 performance audit of school board functions, including an agreement involving the
16 scope of the performance audit or the responsibility for the funding of the performance
17 audit.

18 5–113.

19 **(a) THIS SECTION DOES NOT APPLY IN A COUNTY IF THE COUNTY**
20 **BOARD IMPOSES THE TAX AUTHORIZED UNDER § 3–106 OF THIS ARTICLE.**

21 **(B)** A county governing body may notify the Department that a local board
22 has not complied with one or more reporting requirements under this subtitle or one of
23 the expenditure limitations of § 5–105 of this subtitle.

24 **[(b)] (C)** The Department shall investigate a complaint filed under this
25 section. If the State Superintendent determines, after taking into account aggravating
26 and mitigating circumstances, that a violation has occurred without reasonable
27 justification, for the next fiscal year following the final determination of a violation,
28 the county board may not make a category expenditure, as defined by the Maryland
29 Board of Education reporting manual, in excess of the category expenditure in the
30 operating budget approved by the county governing body without the prior approval of
31 the county governing body. If the county governing body fails to take action on a
32 request for approval within 30 days after the receipt of a written request, the failure to
33 take action constitutes approval.

34 5–201.

1 (e) (1) For the purposes of calculating the local share of the foundation
2 program under § 5–202 of this subtitle and regardless of the source of the funds, all
3 funds that a county board or the Mayor and City Council of Baltimore City are
4 authorized to expend for schools may be considered as levied by the county council,
5 board of county commissioners, [or] the Mayor and City Council of Baltimore, **OR A**
6 **COUNTY BOARD THAT IMPOSES THE TAX AUTHORIZED UNDER § 3–106 OF THIS**
7 **ARTICLE** except for:

8 (i) State appropriations;

9 (ii) Federal education aid payments; and

10 (iii) The amount of the expenditure authorized for debt service
11 and capital outlay.

12 (2) Except as provided in this section, these appropriations to a
13 county, academy, college, or university may not be paid from the General State School
14 Fund.

15 5–202.

16 (d) (1) To be eligible to receive the State share of the foundation program:

17 (i) The county governing body, **INCLUDING A COUNTY BOARD**
18 **THAT IMPOSES THE TAX AUTHORIZED UNDER § 3–106 OF THIS ARTICLE**, shall
19 levy an annual tax sufficient to provide an amount of revenue for elementary and
20 secondary public education purposes equal to the local share of the foundation
21 program; and

22 (ii) The county governing body, **INCLUDING A COUNTY BOARD**
23 **THAT IMPOSES THE TAX AUTHORIZED UNDER § 3–106 OF THIS ARTICLE**, shall
24 appropriate local funds to the school operating budget in an amount no less than the
25 product of the county’s full–time equivalent enrollment for the current fiscal year and
26 the local appropriation on a per pupil basis for the prior fiscal year.

27 (2) Except as provided in paragraph (3) of this subsection, for purposes
28 of this subsection, the local appropriation on a per pupil basis for the prior fiscal year
29 for a county is derived by dividing the county’s highest local appropriation to its school
30 operating budget for the prior fiscal year by the county’s full–time equivalent
31 enrollment for the prior fiscal year. For example, the calculation of the foundation aid
32 for fiscal year 2003 shall be based on the highest local appropriation for the school
33 operating budget for a county for fiscal year 2002. Program shifts between a county
34 operating budget and a county school operating budget may not be used to artificially
35 satisfy the requirements of this paragraph.

1 (3) For purposes of this subsection, for fiscal year 1997 and each
2 subsequent fiscal year, the calculation of the county's highest local appropriation to its
3 school operating budget for the prior fiscal year shall exclude:

4 (i) A nonrecurring cost that is supplemental to the regular
5 school operating budget, if the exclusion qualifies under regulations adopted by the
6 State Board; and

7 (ii) A cost of a program that has been shifted from the county
8 school operating budget to the county operating budget.

9 (4) The county board, **EXCEPT A COUNTY BOARD THAT IMPOSES**
10 **THE TAX AUTHORIZED UNDER § 3-106 OF THIS ARTICLE**, must present satisfactory
11 evidence to the county government that any appropriation under paragraph (3)(i) of
12 this subsection is used only for the purpose designated by the county government in its
13 request for approval.

14 (5) Any appropriation that is not excluded under paragraph (3)(i) of
15 this subsection as a qualifying nonrecurring cost shall be included in calculating the
16 county's highest local appropriation to its school operating budget.

17 (6) Qualifying nonrecurring costs, as defined in regulations adopted by
18 the State Board, shall include but are not limited to:

19 (i) Computer laboratories;

20 (ii) Technology enhancement;

21 (iii) New instructional program start-up costs; and

22 (iv) Books other than classroom textbooks.

23 (7) (i) The provisions of this subsection do not apply to a county if
24 the county is granted a temporary waiver or partial waiver from the provisions by the
25 State Board of Education based on a determination that the county's fiscal condition
26 significantly impedes the county's ability to fund the maintenance of effort
27 requirement.

28 (ii) After a public hearing, the State Board of Education may
29 grant a waiver under this paragraph in accordance with its regulations.

30 (iii) In order to qualify for the waiver under this paragraph for a
31 fiscal year, a county shall make a request for a waiver to the State Board of Education
32 by April 1 of the prior fiscal year.

1 (iv) The State Board of Education shall inform the county
2 whether the waiver for a fiscal year is approved or denied in whole or in part by May
3 15 of the prior fiscal year.

4 (v) If the State Board of Education grants a county a temporary
5 waiver or partial waiver from the provisions of this subsection for any fiscal year, the
6 minimum appropriation of local funds required under this subsection for the county to
7 be eligible to receive the State share of the foundation program for the next fiscal year
8 shall be calculated based on the per pupil local appropriation for the prior fiscal year
9 or the second prior fiscal year, whichever is greater.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2011, and shall be applicable to all fiscal years after June 30, 2012.